

Message Text

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ORIGIN XMB-04

INFO OCT-01 ARA-14 ISO-00 AID-05 CIAE-00 COME-00 EB-08
FRB-01 INR-07 NSAE-00 USIA-15 TRSE-00 OPIC-06
SP-02 LAB-04 SIL-01 OMB-01 L-03 /072 R

FSE
XMB

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XMB/GC: WWGLICK
ARA'AND: TWSONANDRES (INFO)

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R 291801Z JUL 77
FM SECSTATE WASHDC
TO AMEMBASSY CARACAS

UNCLAS STATE 178223

E.O. 11652:N/A

TAGS: EFIN, VE

SUBJECT: VENEZUELAN TAX ON EXIMBANK

RE: CARACAS 6957

1. WHILE IT IS PROBABLY NOT TECHNICALLY POSSIBLE FOR THE
U.S. GOVERNMENT TO RAISE SOVEREIGN IMMUNITY AS A DEFENSE TO
THE PAYMENT OF VENEZUELAN TAXES, THERE ARE CERTAIN RELATED
POINTS WHICH COULD BE STRESSED IN THE AMBASSADOR'S MEETING
WITH HURTADO.

2. FIRST, EXIMBANK IS AN AGENCY OF AND VERY MUCH A PART OF
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THE U.S. GOVERNMENT AND THEREFORE, THE TAXATION OF EXIMBANK
VIOLATES THE PRINCIPLE OF INTERNATIONAL LAW THAT SOVEREIGN
STATES DO NOT TAX ONE ANOTHER AS A MATTER OF INTERNATIONAL
COMITY. SECOND, IN MAKING ITS LOANS TO VENEZUELA EXIM IS
PERFORMING A PURELY GOVERNMENTAL NON-PROPRIETARY FUNCTION.
IN CONNECTION WITH THIS SECOND POINT IT COULD BE NOTED THAT
THE INTEREST EARNED BY EXIM IS TO ENABLE IT TO PERFORM THIS
FUNCTION IN A SELFSUSTAINING MANNER.

3. ANOTHER POINT, UNRELATED TO SOVEREIGNTY, WHICH
COULD BE STRESSED IS THAT EXIM LOANS TO VENEZUELA ARE IN
THE NATIONAL INTEREST OF VENEZUELA AND SHOULD NOT BE
TAXED, AS A MATTER OF POLICY, TO ENCOURAGE THEM.

4. FINALLY, IT MAY BE USEFUL TO SEE IF ANY VENEZUELAN
GOVERNMENT ENTITIES OPERATE IN THE U.S. AND, IF SO,
WHETHER SUCH OPERATIONS ARE SUBJECT TO U.S. TAX. IF THEY
ARE NOT, WE CAN ARGUE FOR RECIPROCAL TREATMENT. VANCE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: INTERNATIONAL LAW, BANKS, TAXES, TAX RELIEF
Control Number: n/a
Copy: SINGLE
Sent Date: 29-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE178223
Document Source: CORE
Document Unique ID: 00
Drafter: CEGABA:JBH
Enclosure: n/a
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Expiration:
Film Number: D770273-0522
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t1977073/aaaaacoh.tel
Line Count: 72
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Litigation History:
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Message ID: adcf5b65-c288-dd11-92da-001cc4696bcc
Office: ORIGIN XMB
Original Classification: UNCLASSIFIED
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Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 16-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1780343
Secure: OPEN
Status: NATIVE
Subject: VENEZUELAN TAX ON EXIMBANK RE: CARACAS 6957
TAGS: EFIN, VE, US, XMB
To: CARACAS
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/adcf5b65-c288-dd11-92da-001cc4696bcc
Review Markings:
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